

---

---

# GROUP BENEFIT PLAN





**THE SALARY CONTINUATION PROGRAM  
DESCRIBED IN THE FOLLOWING PAGES  
IS SPONSORED BY THE EMPLOYER NAMED IN THE SCHEDULE.**

**THE EMPLOYER IS SOLELY RESPONSIBLE  
FOR PAYMENT OF SOME PERCENTAGE OF  
A DISABLED EMPLOYEE'S SALARY  
ACCORDING TO THE TERMS AND CONDITIONS  
OF THIS PROGRAM DESCRIPTION.**

**SEE THE SCHEDULE SECTION OF THIS PROGRAM  
DESCRIPTION FOR THE PERCENTAGE OF SALARY TO  
BE CONTINUED AND THE MAXIMUM DURATION  
OF TIME SALARY WILL BE CONTINUED.**

**THIS PROGRAM OF SALARY CONTINUATION  
IS NOT AN EMPLOYEE WELFARE BENEFIT  
PLAN, AS DEFINED BY THE EMPLOYEE  
RETIREMENT INCOME SECURITY ACT (ERISA).**

---

## TABLE OF CONTENTS

---

	Page
SCHEDULE OF BENEFITS .....	2
Who is eligible for coverage? .....	2
When will an employee become eligible? (Eligibility Waiting Period).....	2
DEFINITIONS.....	2
ELIGIBILITY AND ENROLLMENT .....	5
When does an employee's coverage under the Program start? .....	5
What happens if the Employer changes the Program?.....	5
BENEFITS.....	5
What happens when an eligible employee becomes Disabled?.....	5
When will Salary Continuation payments cease?.....	6
What is Vocational Rehabilitation? .....	7
EXCLUSIONS .....	7
What disabilities are not covered?.....	7
TERMINATION.....	8
When does an employee's coverage terminate? .....	8
Does an employee's Salary Continuation coverage continue while he is Disabled and no longer an Active Full-time Employee? .....	8
GENERAL PROVISIONS/CLAIMS .....	8

A note on capitalization in this benefits booklet:

Capitalization of the first letter of a word or phrase not normally capitalized according to the rules of standard punctuation (Weekly Earnings, for example) indicates a word or phrase that is defined in the DEFINITIONS section, or that refers back to an item found in the Schedule.

PS-M-74

## **SCHEDULE OF BENEFITS**

Program Number: GRH-071770  
Program Effective Date: January 1, 2006  
Contractholder: COUNTY OF LOUDOUN, VIRGINIA

### **SALARY CONTINUATION PROGRAM**

This Program provides short term continuation of some percentage of an eligible employee's Weekly Earnings if he becomes Disabled from a covered accident, sickness or pregnancy. Payments are made from the Employer's payroll account or general assets.

Employees do not contribute towards the Program's cost.

#### **Who is eligible for coverage?**

Eligible Class(es): All Active Regular Employees, Constitutional Officers and their regular employees, Elected Officials who are members of the Board of Supervisors and their Staff Aides, and employees of the Loudoun Soil and Water Conservation District

#### **When will an employee become eligible? (Eligibility Waiting Period)**

An employee will be eligible for coverage on the first day of the month following his date of hire.

### **SALARY CONTINUATION BENEFITS**

The **Salary Continuation Amount** will 50% of the employee's Weekly Earnings reduced by Other Income Benefits.

The **Maximum Duration of Salary Continuation** for a Disability is 7 week(s).

**Salary Continuation Payments Commence** for Disability caused by:

- Accident: on the 8th day of Disability
- Sickness: on the 8th day of Disability

## **DEFINITIONS**

The terms listed, if used, will have these meanings:

**Active Employee** means an employee is one who has been appointed or hired into a regular position and is working the scheduled hours of that position. Completion of probationary period is not a factor in determining eligibility. Temporary employees and appointed officials are not eligible.

**Actively at Work** - An employee will be considered actively at work on a day which is one of the Employer's scheduled work days if he is performing, in the usual way, all of the regular duties of his job on a full-time basis on that day. An employee will be deemed to be actively at work on a day which is not one of the Employer's scheduled work days if he was actively at work on the preceding scheduled work day.

**Claims Evaluator** means Hartford-Comprehensive Employee Benefit Service Company (HARTFORD-CEBSCO).

**Current Weekly Earnings** means the Weekly Earnings an employee receives from any employer or for any work while Disabled and eligible for Salary Continuation while Residual Disabled.

**Disability** means Total or Residual Disability.

**Disabled** means Totally or Residually Disabled.

**Employer** means the Employer named in the Schedule.

**Mental Illness** means any psychological, behavioral or emotional disorder or ailment of the mind, including physical manifestations or psychological, behavioral or emotional disorder, but excluding demonstrable structural brain damage.

**Other Income Benefits** means the amount of any benefit for loss of income, provided to an employee or to his family, as a result of the period of Disability for which the employee's salary is being continued under this Program. This includes any such benefits for which the employee or his family is eligible, or that are paid to the employee, his family, or to a third party on the employee's behalf. This includes the amount of any benefit for loss of income from:

- 1) the United States Social Security Act, the Civil Service Retirement System, the Railroad Retirement Act, the Jones Act, the Canada Pension Plan, the Quebec Pension Plan or similar plan or act that the employee, his spouse, or his children are eligible to receive because of the employee's Disability;
- 2) any plan or arrangement of coverage, whether insured or not, as a result of employment by or association with the Employer, or as a result of membership in or association with any group, association, union or other organization;
- 3) the Veteran's Administration or any other foreign or domestic governmental agency for the same disability;
- 4) any governmental law or program that provides disability or unemployment benefits as a result of an employee's job with the employer;
- 5) individual insurance policy where the premium is wholly or partially paid by the Employer;
- 6) any temporary or permanent disability benefits under a workers' compensation law, occupational disease law, or similar law;
- 7) the portion of a settlement or judgement, minus associated costs, of a lawsuit that represents or compensates for the employee's loss of earnings; or
- 8) compulsory "no fault" automobile insurance.

Any general increase in benefits required by law that an employee is entitled to receive under any Federal Law will not reduce the Salary Continuation Amount payable for a period of Total Disability that began prior to the date of such increase.

If an employee is paid Other Income Benefits in a lump sum, that sum will be pro rated:

- 1) over the period of time it would have been paid if not paid in a lump sum; or
- 2) if such period of time cannot be determined, over a period of 260 weeks.

**Residual Disability or Residually Disabled** means that an employee is prevented by:

- 1) accidental bodily injury;
- 2) sickness;
- 3) Mental Illness;
- 4) Substance Abuse; or
- 5) pregnancy,

from performing some, but not all, of the essential duties of his or any occupation, and as a result, his current Weekly Earnings are more than 20% but no more than 80% of his pre-disability Weekly Earnings.

**Sickness vs. Accident**

A Disability shall be deemed to be caused by sickness, and not by accident, if:

- 1) it is caused or contributed to by:
  - a) any condition, disease or disorder of the body or mind; or
  - b) any infection, except a pus forming infection of an accidental cut or wound; or
  - c) hernia of any type; or
  - d) any disease of the heart; or
  - e) Mental Illness; or
  - f) Substance Abuse; or
  - g) pregnancy; or
  - h) any medical treatment for items (a) through (g) above; or
- 2) it is caused directly or indirectly by accident, but commences more than 30 days after the date of the accident.

**Substance** includes alcohol and drugs, but excludes tobacco and caffeine.

**Substance Abuse** means the pattern of pathological use of alcohol or other psychoactive drugs and substances characterized by:

- 1) impairments in social and/or occupational functioning;
- 2) debilitating physical condition;
- 3) inability to abstain from or reduce consumption of the substance; or
- 4) the need for daily substance use to maintain adequate functioning.

**Total Disability or Totally Disabled** means that an employee is prevented by:

- 1) accidental bodily injury;
- 2) sickness;
- 3) Mental Illness;
- 4) Substance Abuse; or
- 5) pregnancy,

from performing the essential duties of his occupation, and as a result, he is earning less than 20% of his pre-disability Weekly Earnings.

**Weekly Earnings** means an employee's usual weekly rate of pay from the Employer, not counting:

- 1) commissions;
- 2) bonuses;
- 3) overtime pay; or
- 4) any other fringe benefit or extra compensation.

If an employee becomes Disabled, his Weekly Earnings will be the rate in effect on his last day as an Active Full-time Employee before becoming Totally Disabled.

## **ELIGIBILITY AND ENROLLMENT**

### **Who are Eligible Persons?**

All persons in the class or classes shown in the Schedule will be considered Eligible Persons.

### **When will an employee become eligible for the Program?**

An employee will be eligible for the Program on either:

- 1) the Program Effective Date, if an employee has completed the Eligibility Waiting Period; or if not,
- 2) the date on which an employee completes the Eligibility Waiting Period.

See the Schedule for the Program Effective Date and the Eligibility Waiting Period.

### **How does an employee enroll?**

Eligible Persons will be enrolled automatically by the Employer.

## **EFFECTIVE DATE OF COVERAGE**

### **When does an employee's coverage under the Program start?**

An employee's coverage will start on the date he becomes eligible.

## **DEFERRED EFFECTIVE DATE**

### **Will an employee's coverage under the Program become effective if a disabling condition causes that employee to be absent from work on the date his coverage is to start?**

If an employee is absent from work due to:

- 1) accidental bodily injury;
- 2) sickness;
- 3) pregnancy;
- 4) Mental Illness; or
- 5) Substance Abuse,

on the date his coverage under the Program or an increase in his Weekly Earnings would otherwise have become effective, the effective date of his coverage or his increase in Weekly Earnings will be deferred until he has been Actively at Work for one full work day.

## **CHANGES IN THE PROGRAM**

### **What happens if the Employer changes the Program?**

Any increase or decrease in coverage because of a change in the Schedule will become effective on the date of the change, except that the limitations on an increase stated in the Deferred Effective Date provision will apply.

The Employer may amend, modify, terminate or partially terminate the provisions, terms and conditions of the Schedule or the Program at any time.

## **BENEFITS**

### **What happens when an eligible employee becomes Disabled?**

If, while covered under this Program, an employee becomes Disabled, and furnishes proof to the Claims Evaluator that he remains Disabled, the Employer will continue to pay the employee's Salary Continuation Amount.

The Salary Continuation Amount payable will be reduced by the total amount of all Other Income Benefits, including any amount for which an employee could collect but does not apply.

See the Schedule for the Salary Continuation Amount and the Maximum Duration of Salary Continuation.



No Salary Continuation amounts will be payable, however, unless the employee is under the regular care and attendance of a Physician other than himself or a member of his immediate family. A member of his immediate family is his spouse, father, mother, brother, sister, son or daughter.

## **RESIDUAL DISABILITY BENEFITS**

### **What Salary Continuation Amounts are payable for Residual Disability?**

If while covered under this Program, an employee becomes Disabled and works on a part time or limited duty basis because he is Residually Disabled, the following calculation is used to determine his Salary Continuation Amount:

$$\text{Salary Continuation Amount} = ((A - B) / A) \times C$$

#### Where

A = His pre-disability Weekly Earnings.

B = His Current Weekly Earnings.

C = The Salary Continuation Amount payable if he was Totally Disabled.

If an employee is participating in a program of Rehabilitative Employment approved by the Employer, his Salary Continuation Amount will be determined by the Rehabilitative Employment provision.

### **How is the Salary Continuation Amount calculated for a period of less than a full week?**

If the Salary Continuation Amount is payable for a period of less than a full week, the Program will pay 1/5 of the Salary Continuation Amount for each day the employee was Disabled.

### **When will Salary Continuation payments cease?**

Salary Continuation payments will stop on the first to occur of:

- 1) the date an employee is no longer Disabled;
- 2) the date an employee fails to furnish proof that he continues to be Disabled;
- 3) the date an employee refuses to be examined, if the Claims Evaluator requires an examination;
- 4) the last day Salary Continuation payments are payable according to the Maximum Duration of Salary Continuation shown in the Schedule; or
- 5) the date an employee dies.

## **RECURRENT DISABILITY**

### **What happens to an employee's Salary Continuation rights if he returns to work as an Active Full-time Employee and then becomes Disabled again?**

If an employee returns to work as an Active Full-time Employee for 15 consecutive days or more, any recurrence of a disability will be treated as a new Disability with respect to the Maximum Duration of Salary Continuation, as shown in the Schedule.

If recurrent periods of Disability are:

- 1) due to the same or a related cause; and
- 2) separated by less than 15 consecutive days of work as an Active Full-time Employee,

they will be considered to be the same period of Disability.

## MULTIPLE CAUSES

### **How long will an employee's Salary Continuation Amount be payable under this Program if a period of Disability is extended by another cause?**

If a period of Disability is extended by a new cause while the employee's Salary Continuation Amount is being paid under this Program, these Salary Continuation payments will continue while the employee remains Disabled, subject to the following:

- 1) these Salary Continuation payments will not continue beyond the end of the original Maximum Duration of Salary Continuation; and
- 2) this Program's Exclusions will apply to the new cause of disability.

## VOCATIONAL REHABILITATION

### **What is Vocational Rehabilitation?**

**Vocational Rehabilitation** means employment or services that prepare an employee, if Disabled, to resume gainful work.

Vocational Rehabilitative Services include, when appropriate, any necessary and feasible:

- 1) vocational testing;
- 2) vocational training;
- 3) work place modification;
- 4) prosthesis; or
- 5) job placement.

## REHABILITATIVE EMPLOYMENT

**Rehabilitative Employment** means employment that is part of a program of Vocational Rehabilitation. Any program of Rehabilitative Employment must be approved, in writing, by the Employer.

### **Do earnings from Rehabilitative Employment affect the payment of an employee's Salary Continuation Amount?**

If an employee is Disabled and is engaged in an approved program of Rehabilitative Employment, his Salary Continuation Amount payable will be:

- 1) the Salary Continuation Amount calculated for Total Disability; but
- 2) reduced by 50% of the income received from each week of such Rehabilitative Employment.

The sum of the Salary Continuation Amount payable and the total income received under this provision may not exceed 100% of the employee's pre-disability Weekly Earnings. If this sum exceeds the employee's pre-disability Weekly Earnings, the Salary Continuation Amount payable by the Program will be reduced proportionately.

## EXCLUSIONS

### **What Disabilities are not covered?**

The Program does not cover, and no Salary Continuation Amount shall be payable for, any:

- 1) injury, sickness, Mental Illness, Substance Abuse, or pregnancy not being treated by a physician or surgeon;
- 2) Disability caused or contributed to by war or act of war (declared or not); or
- 3) Disability caused by an employee's commission of or attempt to commit felony, or to which a contributing cause was an employee's being engaged in an illegal occupation;
- 4) Disability caused or contributed to by an intentionally self-inflicted injury;
- 5) sickness or injury for which workers' compensation benefits are paid, or may be paid, if duly claimed; or
- 6) injury sustained as a result of doing any work for pay or profit for another employer.

If an employee is receiving, or is eligible to receive, benefits for a disability under a prior plan of disability benefits that:

- 1) was sponsored by the Employer; and
- 2) was terminated on the day before the effective date of this Program,

then no Salary Continuation payments will be made for the disability under this Program.

## **TERMINATION**

### **When does an employee's coverage terminate?**

An employee's coverage will terminate on the earliest of:

- 1) the date this Program terminates; or
- 2) the date this Program no longer provides coverage for his class; or
- 3) the date on which he ceases to be an Active Full-time Employee in an eligible class, including:
  - a) temporary layoff;
  - b) leave of absence, including but not limited to leave for military service; or
  - c) work stoppage (including a strike or lockout).

### **May coverage be continued during a leave of absence?**

If an employee is granted a leave of absence, the Employer may continue his coverage for 1 month following the date coverage would have terminated, subject to the following:

- 1) the leave authorization must be in writing, or must be documented as a leave for military purposes;
- 2) the employee's amount of Weekly Earnings upon which his Salary Continuation Amount may be based, will be that in effect on the day before said layoff or leave commenced; and
- 3) such continuation will cease immediately if one of the following events should occur:
  - a) the leave terminates prior to the agreed upon date;
  - b) termination of the Program; or
  - c) the Program no longer provides coverage for the employee's class.

## **CONTINUATION DURING A FAMILY OR MEDICAL LEAVE**

If an employee is granted a leave of absence according to the Family and Medical Leave Act of 1993, his coverage may be continued for up to 12 weeks, or longer if required by state law, following the date his coverage would have terminated, subject to the following:

- 1) the leave authorization must be in writing;
- 2) the employee's amount of Weekly Earnings upon which his Salary Continuation Amount may be based, will be that in effect on the day before said leave commenced; and
- 3) such continuation will cease immediately if one of the following events should occur:
  - a) the leave terminates prior to the agreed upon date; or
  - b) the Program terminates; or
  - c) the Program no longer provides coverage for the employee's class.

### **Does an employee's Salary Continuation coverage continue while he is Disabled and no longer an Active Full-time Employee?**

If an employee is no longer an Active Full-time Employee because he is Disabled, his Salary Continuation coverage:

- 1) may be continued while he remains Disabled until the end of the period for which he is entitled to Salary Continuation; or
- 2) if terminated, may be reinstated when he has returned to work as an Active Full-time Employee for one full day.

### **Do benefits continue if the Program terminates?**

If an employee is entitled to Salary Continuation while Disabled and the Program terminates, his Salary Continuation Amount:

- 1) will continue to be paid as long as the employee remains disabled by the same disabling condition, but
- 2) will not continue beyond the date the Employer would have ceased to continue paying the employee's Salary Continuation Amount, had the Program remained in force.

Termination of the Program for any reason will have no effect on the Employer's liability under this provision.

## **GENERAL PROVISIONS/CLAIMS**

### **What is the role of the Claims Evaluator?**

The Claims Evaluator is delegated the duties of the Employer to determine if an employee is entitled to Salary Continuation according to the terms and conditions of the Program.

**What is the role of the Employer in the Claims process?**

The Employer is responsible for payment of a Disabled employee's Salary Continuation Amount, according to the terms and conditions of the Program.

The Employer's responsibilities also include, but are not limited to:

- 1) deciding appeals of claims for which the Claims Evaluator had initially determined that no Salary Continuation payments should be made; and
- 2) making final determinations regarding eligibility for coverage.

**When should the Claims Evaluator be notified of a claim?**

The employee, the employee's supervisor or the employee's physician must give the Claims Evaluator notice of claim by calling the special claims telephone number provided to employees. Such notice must be given on the fifth consecutive work day of an absence due to the same or a related Disability.

If notice cannot be given then, it must be given as soon as possible after that. A representative of the Claims Evaluator will assist the caller through the process, gathering the appropriate information from the employee, the employee's physician, and the Employer.

**Are special forms required to file a claim?**

If written proof of loss is required by the Claims Evaluator, forms will be sent to an employee for providing this written proof within 15 days after the Claims Evaluator receives a notice of claim. If these forms are not sent within 15 days, an employee may submit any other written proof of loss which fully describes the nature and extent of an employee's claim.

**When must proof of loss be given?**

If written proof of loss is required by the Claims Evaluator, this proof of an employee's Disability must be sent to the Claims Evaluator within 30 days after the start of the period for which the employee's Weekly Earnings are being continued. After that, the Claims Evaluator may require further written proof that the employee is still Disabled.

If proof is not given by the time it is due, it will not affect the claim if:

- 1) it was not possible to give proof within the required time; and
- 2) proof is given as soon as possible; but
- 3) not later than 1 year after it is due, unless an employee is not legally competent.

**May additional proof be required?**

The Claims Evaluator may have an employee examined to determine if the employee is Disabled. Any such examination will be:

- 1) at the Program's expense; and
- 2) as reasonably required by the Claims Evaluator.

The Claims Evaluator reserves the right to determine if an employee's proof of loss is satisfactory.

**Who gets the Salary Continuation payments?**

All Salary Continuation payments are made to the employee. Any payments owed at an employee's death may be paid to his estate. If any payment is owed to an employee's estate, the Employer may pay up to \$1,000 to any of the employee's relatives who is entitled to it in the opinion of the Employer. Any such payment shall fulfill the Program's responsibility for the amount paid.

**When are payment checks issued?**

Once it is determined that an employee's Disability qualifies him for Salary Continuation according to the terms and conditions of the Program, accrued Salary Continuation payments will be made in accordance with the Employer's regular payroll schedule. If any Salary Continuation payments are due at the end of a claim, they will be made as soon as the written proof of loss is received.

**What notification will an employee receive if his claim is denied?**

If a claim for Salary Continuation is wholly or partly denied, the [Claims Evaluator/Employer] will furnish the employee with written notification of the decision. This written decision will give the specific reason(s) for the denial.

**What recourse does an employee have if his claim for Salary Continuation is denied?**

On any claim which is wholly or partly denied, an employee or his representative may appeal to the Employer for a full and fair review. The employee may:

- 1) request a review upon written application within 60 days of the claim denial;
- 2) review pertinent documents;
- 3) submit issues and documents in writing; and
- 4) provide written authorization for the Claims Evaluator to release any pertinent information required by the Employer for the purpose of making the final decision on the appeal.

The Claims Evaluator will:

- 1) review the appeal and make any additional payment, if due according to the terms and conditions of the Program; or
- 2) in the event no payment is due or the amount of payment is still not satisfactory to the employee, submit to the Employer in a timely manner a rewritten explanation of the facts, with recommendation for a disposition. The Employer will make the final decision and notify the Claims Evaluator.

**When can legal action be started?**

Legal action cannot be taken against the Employer:

- 1) sooner than 60 days after due proof of loss has been furnished; or
- 2) later than the expiration of:
  - a) 3 years; or if longer,
  - b) the length of time stated in the applicable statute of limitations
  - c) from the time written proof of loss is required to be furnished according to the terms of the Program.

**What happens if facts are misstated?**

If material facts about an employee were not stated accurately, the true facts will be used to determine if, and for what Salary Continuation amount, coverage should have been in force.

**What are the Employer's subrogation rights?**

If an employee:

- 1) suffers a Disability because of the act or omission of a third party; and
- 2) as a result, becomes entitled to and receives Salary Continuation payments under the Program; and
- 3) does not initiate legal action for the recovery of the amount of such payments from the third party in a reasonable period of time,

then the Employer will be subrogated to any rights the employee may have against the third party and may, at its option, bring legal action to recover the sum of any Salary Continuation payments made by the Program in connection with the Disability.

**Who interprets Program terms and conditions?**

The Employer has full discretion and authority to determine eligibility for Salary Continuation and to construe and interpret all terms and provisions of the Program.

**Must an employee apply for Social Security Disability Benefits?**

The Employer may require that an employee apply for Social Security Disability Benefits if it appears that his Disability may meet the minimum duration required to qualify for such benefits. If the Social Security Administration denies eligibility for any such benefits, the employee will be required to follow the process established by the Social Security Administration to reconsider the denial and, if denied again, to request a hearing before an Administrative Law Judge of the Office of Hearing and Appeals.

